

Board of County Commissioners
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BOARD OF COUNTY COMMISSIONERS

February 13, 2024

Senate Committee on Assessment and Taxation

Hearing held on February 14, 2024, Room 548-S

Written testimony submitted for Senate Bill 468: Prohibiting cities and counties that grant or approve certain property tax exemptions or tax increment financing from exceeding their revenue neutral rated for property tax purposes.

Opposition Testimony to SB 468 by Sumner County Commissioners

Chairman Commissioner John Cooney, District 3

Commissioner Steve Warner, District 1

Commissioner Jim Newell, District 2

Dear Chairwoman Tyson and Senate Committee on Assessment and Taxation:

On behalf of the Sumner County Commissioners, thank you for your time in reading this written testimony in **opposition** of Senate Bill 468. In looking at this legislation, we urge you to look at industrial revenue bonds and tax increment financing as two tools of a larger economic development toolbox. These incentives are needed and used to offset higher business property tax rates in attracting new and expanding industry. These should be kept separate from the Revenue Neutral Rate process.

The Revenue Neutral Rate process was created to provide more transparency and accountability as it relates to the property tax process. While the revenue neutral rate is an important step for municipal budget transparency, it does not consider inflation. As property values are rising, so are the costs of goods and services. Tying any economic incentive programs usage to the Revenue Neutral Process undermines its purpose and is a bad precedent.

This bill harms cities, businesses, and citizens. These economic tools are used by cities to create needed economic development, by businesses to reduce costs of projects, and help citizens by bolstering job opportunities and clearing blighted areas. Rural economic developer's toolboxes are very limited with incentive tools. Property tax exemptions and tax increment financing are used as a tool to encourage the investment of capital and the creation of jobs in the State, especially in rural areas (counties). These incentives level the playing

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field with other states. To take this tool away would make Kansas less competitive and cost the State through the loss of business in the future.

We, the Sumner County Commissioners, are **opposed** to SB468 and ask the Committee to deny this bill from passage. Thank you for your time and consideration.

Sincerely,

Board of Sumner County Commissioners


Steve Warner, 1st District


Jim D. Newell, 2nd District


John Cooney, 3rd District, Chairman